
Public Utilities Commission of the State of California

Public Agenda 3166

Thursday, January 26, 2006 10:00 a.m.

San Francisco, California

Commissioners

Michael R. Peevey, President

John A. Bohn

Geoffrey F. Brown

Rachelle B. Chong

Dian M. Grueneich

For each agenda item, a summary of the proposed action is included; the Commission's decision may, however, differ from that proposed.

Website: <http://www.cpuc.ca.gov>

Scheduled Commission Meetings

505 Van Ness Avenue, San Francisco

<i>Ratesetting Deliberative Meeting*</i> <i>Room 5305</i> <i>(1:30 p.m.)</i> <i>Closed to the Public</i>	<i>Commission Meeting</i> <i>Auditorium</i> <i>(10 a.m.)</i> <i>Open to the Public</i>
Tuesday, February 14, 2006 (San Francisco)	Thursday, January 26, 2006 (San Francisco)
Monday, February 27, 2006 (San Francisco)	Thursday, February 16, 2006 (San Francisco)
Monday, March 13, 2006 (San Francisco)	Thursday, March 02, 2006 (San Francisco)
Monday, April 10, 2006 (San Francisco)	Wednesday, March 15, 2006 (San Francisco)
	Thursday, April 13, 2006 (San Francisco)

**Ratesetting Deliberative Meeting dates are reserved as noted but will be held only if there are ratesetting matters to be considered and a Commissioner has requested that a Ratesetting Deliberative Meeting be held.*

Matters of Public Interest

For the convenience of the public and media representatives, items of widespread public interest will be taken up at the beginning of the meeting.

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PUBLIC COMMENT

The following items are not subject to public comment:

- All items on the closed session agenda.
-

Public Comment:

Consent Agenda

Items shown on the Consent Agenda will be taken up and voted on as a group in one of the first items of business of each Commission meeting. Items may be removed from the Consent Agenda for discussion on the Regular Agenda at the request of any Commissioner prior to the meeting.

Consent Agenda - Orders and Resolutions

- 1**
[5164] **A05-03-003 - John W. Richardson as Receiver for Alisal Water Corporation.**
A05-03-006 - Related matters. This decision approves sale and transfer of Alisal Water Corporation's small water systems to Pajaro Sunny Mesa Community Services District, upon payment of Public Utilities Commission Reimbursement Account fees, real and personal property taxes, and telephone charges incurred, and remittance to Alisal Water Corporation of Department of Health Services surcharges collected, in association with the small water systems, since February 2005. Applications 05-03-003 and 05-03-006 are closed.
(Comr Grueneich - ALJ Yacknin)
Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.
Pub. Util. Code § 311 – This item was mailed for Public Comment.
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=214920
- 2**
[5098] **Res ALJ 176-3166**
Ratification of preliminary determination of category for proceedings initiated by application. The preliminary determinations are pursuant to Article 2.5, Rules 4 and 6.1 of the Commission's Rules of Practice and Procedure.
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=219048
- 3**
[5184] **C05-10-003 - Wilmot McCutchen vs. Pacific Gas and Electric Company and City of Orinda.**
This decision dismisses complaint against Pacific Gas and Electric Company and City of Orinda for claimed Rule 1 violation and related claims. This proceeding is closed.
(Comr Grueneich - ALJ Yacknin)
Pub. Util. Code § 311 – This item was mailed for Public Comment.
Pub. Util. Code §1701.1 -- This proceeding is categorized as Adjudicatory.

Consent Agenda - Orders and Resolutions (continued)

4

[5187]

A05-06-046 - Coastal Cats, Inc. (Coastal Cats).

Coastal Cats seeks a vessel common carrier certificate pursuant to Pub. Util. Code §§1007-1009 to provide scheduled coastal ocean passenger ferry service with light freight at designated points between Santa Barbara and San Diego, along with scheduled service between Marina del Rey and Avalon on Santa Catalina Island. The application has been protested by three other vessel common carriers that question the financial and operational fitness of Coastal Cats and urge that hearings be conducted. In response to questions, the president and chief executive officer of Coastal Cats states that he now resides in Europe and, because of upcoming surgery, will not return to the United States for at least six months. Because a hearing in this matter appears to be necessary, this decision denies the application of Coastal Cats at this time, without prejudice to refile of the application when the company's representative is able to participate in hearings. This proceeding is closed.

(Comr Bohn - ALJ Walker)

Pub. Util. Code § 311 – This item was mailed for Public Comment.

Pub. Util. Code §1701.1 -- This proceeding is categorized as Quasi-Legislative.

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=219281

5 (Rev.)

[5191]

Res T-16977 - Sierra Telephone Company, Inc. (Sierra).

This resolution approves a CMRS Agreement between Sierra and Sprint Spectrum L.P. dba Sprint PCS, in accordance with the provisions of General Order 96-A and ALJ-181. (Advice Letter 340, filed November 2, 2005)

Agenda 3165, Item 20 1/12/2006 (Staff)

01/24/2006 - This revision was not shown on the Agenda mailed to the public.

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=219856

6 (Rev.)

[5192]

Res T-16978 - Calaveras Telephone Company (Calaveras).

This resolution approves a CMRS Agreement between Calaveras and Sprint Spectrum L.P. dba Sprint PCS, in accordance with the provisions of General Order 96-A and Resolution ALJ-181. (Advice Letter 286, filed October 21, 2005)

Agenda 3165, Item 21 1/12/2006 (Staff)

01/24/2006 - This revision was not shown on the Agenda mailed to the public.

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=219877

Consent Agenda - Orders and Resolutions (continued)

- 7 (Rev.)** **Res T-16979 - Cal-Ore Telephone Company (Cal-Ore).**
[5193] This resolution approves a CMRS Agreement between Cal-Ore and Sprint Spectrum L.P. dba Sprint PCS, in accordance with the provisions of General Order 96-A and Resolution ALJ-181. (Advice Letter 307, filed October 21, 2005)
Agenda 3165, Item 22 1/12/2006 (Staff)
01/24/2006 - This revision was not shown on the Agenda mailed to the public.
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=219879
- 8 (Rev.)** **Res T-16980 - Ducor Telephone Company (Ducor).**
[5194] This resolution approves a CMRS Agreement between Ducor and Sprint Spectrum L.P. dba Sprint PCS, in accordance with the provisions of General Order 96-A and Resolution ALJ-181. (Advice Letter 307, filed October 21, 2005)
Agenda 3165, Item 23 1/12/2006 (Staff)
01/24/2006 - This revision was not shown on the Agenda mailed to the public.
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=219886
- 9 (Rev.)** **Res T-16982 - Foresthill Telephone Company (Foresthill).**
[5195] This resolution approves a CMRS Agreement between Foresthill and Sprint Spectrum L.P. dba Sprint PCS, in accordance with the provisions of General Order 96-A and Resolution ALJ-181. (Advice Letter 258, filed October 21, 2005)
Agenda 3165, Item 24 1/12/2006 (Staff)
01/24/2006 - This revision was not shown on the Agenda mailed to the public.
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=219891
- 10 (Rev.)** **Res T-16983 - Kerman Telephone Company (Kerman).**
[5196] This resolution approves a CMRS Agreement between Kerman and Sprint Spectrum L.P. dba Sprint PCS, in accordance with the provisions of General Order 96-A and Resolution ALJ-181. (Advice Letter 344, filed October 21, 2005)
Agenda 3165, Item 25 1/12/2006 (Staff)
01/24/2006 - This revision was not shown on the Agenda mailed to the public.
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=219893

Consent Agenda - Orders and Resolutions (continued)

- 11 (Rev.) Res T-16984 - Pinnacles Telephone Company (Pinnacles).**
[5197] This resolution approves a CMRS Agreement between Pinnacles and Sprint Spectrum L.P. dba Sprint PCS, in accordance with the provisions of General Order 96-A and Resolution ALJ-181. (Advice Letter 219, filed October 21, 2005)
Agenda 3165, Item 26 1/12/2006 (Staff)
01/24/2006 - This revision was not shown on the Agenda mailed to the public.
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=219895
- 12 (Rev.) Res T-16985 - Siskiyou Telephone Company (Siskiyou).**
[5198] This resolution approves a CMRS Agreement between Siskiyou and Sprint Spectrum L.P. dba Sprint PCS, in accordance with the provisions of General Order 96-A and Resolution ALJ-181. (Advice Letter 335, filed October 21, 2005)
Agenda 3165, Item 27 1/12/2006 (Staff)
01/24/2006 - This revision was not shown on the Agenda mailed to the public.
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=219896
- 13 (Rev.) Res T-16986 - Volcano Telephone Company (Volcano).**
[5199] This resolution approves a CMRS Agreement between Volcano and Sprint Spectrum L.P. dba Sprint PCS, in accordance with the provisions of General Order 96-A and Resolution ALJ-181. (Advice Letter 324, filed October 21, 2005)
Agenda 3165, Item 28 1/12/2006 (Staff)
01/24/2006 - This revision was not shown on the Agenda mailed to the public.
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=219897
- 14 (Rev.) Res T-16987 - Ponderosa Telephone Company (Ponderosa).**
[5200] This resolution approves a CMRS Agreement between Ponderosa and Sprint Spectrum L.P. dba Sprint PCS, in accordance with the provisions of General Order 96-A and Resolution ALJ-181. (Advice Letter 349, filed October 27, 2005)
Agenda 3165, Item 29 1/12/2006 (Staff)
01/24/2006 - This revision was not shown on the Agenda mailed to the public.
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=219900

Consent Agenda - Orders and Resolutions (continued)

- 15 (Rev.) Res T-16988 - Global Valley Networks, Inc. (Global Valley).**
[5201] This resolution approves a CMRS Agreement between Global Valley and Sprint Spectrum L.P. dba Sprint PCS, in accordance with the provisions of General Order 96-A and Resolution ALJ-181. (Advice Letter 369, filed October 21, 2005)
Agenda 3165, Item 30 1/12/2006 (Staff)
01/24/2006 - This revision was not shown on the Agenda mailed to the public.
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=219902
- 16 Res L-327**
[5215] This resolution authorizes the disclosure of records concerning a Consumer Protection and Safety Division, Safety and Reliability Branch, Utilities Safety Section investigation of an electric incident involving the facilities of the San Diego Gas & Electric Company in Kearney Mesa, California on November 5, 2002, Incident No. E20021105-03.
Pub. Util. Code § 311 – This item was mailed for Public Comment.
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=217418
- 17 Res W-4583 - Great Oaks Water Company.**
[5219] This resolution authorizes Great Oaks Water Company a general rate increase producing an additional annual revenue of \$570,256 or 5.17% for test year 2006-2007. (Advice Letter 173, filed June 24, 2005)
Pub. Util. Code § 311 – This item was mailed for Public Comment.
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=217574
- 18 A05-10-013 - ConnectTo Communications Inc. (Applicant).**
[5246] This decision grants Applicant a certificate of public convenience and necessity under Pub. Util. Code §1001 for authority to provide resold local exchange and interexchange telecommunications services as a competitive local carrier. This proceeding is closed.
(Comr Bohn - ALJ Patrick)
Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=209588
- 19 Res W-4584 - Del Oro Water Company, Pine Flat District (DOWC-PF).**
[5247] This resolution authorizes DOWC-PF a one-time surcharge producing additional revenue of \$2,895.00 for water testing costs incurred from November 1, 2003 through December 31, 2004 resulting from Department of Health Services regulations. (Advice Letters 143 and 143-A, filed November 14, 2005 and December 14, 2005 respectively)
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=215666

Consent Agenda - Orders and Resolutions (continued)**20 R01-08-028 - Order Instituting Rulemaking to examine the Commission's future energy efficiency policies, administration, and programs.**

[5249]

This decision awards Utility Consumers' Action Network \$76,180.90 in compensation for its substantial contribution to D05-09-043 through its participation in San Diego Gas & Electric Company's program advisory and peer review groups for energy efficiency program planning, established by D05-01-055 in this proceeding.

(Comr Peevey - ALJ Gottstein)

Pub. Util. Code §1701.1 -- This proceeding is categorized as Quasi-Legislative.

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=216687

21 Res T-16989 - Happy Valley Telephone Company, Inc. (Happy Valley Telephone).

[5250]

This resolution approves a CMRS Interconnection Agreement between Happy Valley Telephone and Cingular Wireless, LLC, in accordance with the provisions of General Order 96-A and Resolution ALJ-181. (Advice Letter 281, filed October 28, 2005)

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=218278

22 Res T-16990 - Hornitos Telephone Company, Inc. (Hornitos Telephone).

[5251]

This resolution approves a CMRS Interconnection Agreement between Hornitos Telephone and Cingular Wireless, LLC, in accordance with the provisions of General Order 96-A and Resolution ALJ-181. (Advice Letter 251, filed October 28, 2005)

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=218281

23 Res T-16991 - Winterhaven Telephone Company, Inc. (Winterhaven Telephone).

[5252]

This resolution approves a CMRS Interconnection Agreement between Winterhaven Telephone and Cingular Wireless, LLC, in accordance with the provisions of General Order 96-A and Resolution ALJ-181. (Advice Letter 177, filed October 28, 2005)

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=218283

24 Res T-16992 - SBC California (SBC).

[5253]

This resolution approves an Interconnection Agreement between SBC and Esodus Communications, Inc. dba Instatone, in accordance with the provisions of General Order 96-A and Resolution ALJ-181. (Advice Letter 27573, filed November 3, 2005)

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=218284

Consent Agenda - Orders and Resolutions (continued)

- 25**
[5254] **A05-08-002 - Southern California Edison Company (SCE).**
The Commission adopts a 2006 Energy Resource Recovery Account revenue requirement for SCE of \$4.288 billion. This revenue requirement includes an increase of \$960.5 million or 8.5%. The main reason for the increased revenue requirement is the substantial increase in natural gas and power prices forecasted for 2006. This proceeding is closed.
(Comr Peevey - ALJ Patrick)
Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=211043
- 26**
[5255] **A05-09-001 - Pacific Gas and Electric Company (PG&E).**
This decision allows PG&E to recover \$15.8 million of uncontested costs recorded in a Catastrophic Event Memorandum Account. This proceeding is closed.
(Comr Peevey - ALJ Long)
Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=214991
- 27**
[5257] **A05-11-013 - Southern California Edison Company (SCE).**
This decision grants SCE authority under Pub. Util. Code §851 to enter into a lease agreement with an individual named Emmanuel Goriel (the Lessee). The lease is for an 4.31-acre site located on a portion of SCE's Barre-Villa Park transmission right of way in the City of Orange. The Lessee intends to operate a recreational vehicle storage facility on the site. The application is unopposed. This proceeding is closed.
(Comr Bohn - ALJ Walker)
Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=219584
- 28**
[5259] **A05-01-012 - Sacramento Regional Transit District.**
This decision grants the request of the Sacramento Regional Transit District to construct eleven new and modify two at-grade rail crossings in the City of Sacramento. This proceeding is closed.
(Exam Clark)
Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=212058

Consent Agenda - Orders and Resolutions (continued)

- 29**
[5262] **R04-04-003 - Order Instituting Rulemaking to promote policy and program coordination and integration in electric utility resource planning.**
The uncontested petition of Pacific Gas and Electric Company for modification of Decision 05-10-042 is granted. The prohibition on reselling and re-trading import capacity is lifted.
(Comr Peevey - ALJ Wetzell)
Pub. Util. Code § 311 – This item was mailed for Public Comment.
Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=218831
- 30**
[5265] **A05-08-038 - Alisal Water Corporation, Inc. (Alisal).**
This decision authorizes Alisal to secure loans in an amount not to exceed \$8,500,000 and to encumber its assets in connection with the debt issue.
The decision also grants Alisal authority to renew short-term debt for a period of five years for a total amount of \$500,000 at any given time. This proceeding is closed.
(Exam Coughlan)
Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=217981
- 31**
[5269] **A05-10-027 - City of Visalia.**
This decision grants the request of City of Visalia to construct Oak Avenue along and on the track of San Joaquin Valley Railroad between Sante Fe Street and Tipton Street and to install automatic warning devices at the Tipton Street crossing. This proceeding is closed.
(Exam Clark)
Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.
- 32**
[5281] **A05-04-014 - West Coast Gas Company (WCG).**
This decision adopts a settlement agreement (settlement) between WCG and the Commission's Division of Ratepayer Advocates regarding WCG's request for a general increase in its natural gas rates. The settlement requires WCG to reduce its long-term liability, and restricts WCG from filing another general rate application before April 1, 2008. The settlement also allows WCG to recover, by advice letter, certain revenue requirement increases resulting from gas transportation charges. This proceeding is closed.
(Comr Brown - ALJ Koss)
Pub. Util. Code § 311 – This item was mailed for Public Comment.
Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=214532

Regular Agenda

Regular Agenda - Energy Orders

33 **R02-01-011 - Order Instituting Rulemaking regarding the implementation of the suspension**
[5171] **of direct access pursuant to Assembly Bill 1X and Decision 01-09-060.**

This decision addresses the Petition for Clarification of D03-09-052 filed on May 10, 2005, by the Regents of the University of California on behalf of the University of California, Davis. D03-09-052 addressed issues relating to a “cost responsibility surcharge” for customers who met a portion of their requirements through bundled service from Pacific Gas and Electric Company on or after February 1, 2001 and the remainder through the Western Area Power Administration on a “split wheeling” basis. (Comr Brown - ALJ Pulsifer)

Pub. Util. Code § 311 – This item was mailed for Public Comment.

Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.

Agenda 3165, Item 46 1/12/2006 (Staff)

34 **R04-08-020 - Order Instituting Rulemaking to update the Commission’s policies and**
[5214] **procedures related to electromagnetic fields emanating from regulated utility facilities.**

This decision affirms the Commission's “low-cost/no-cost, prudent avoidance” policy to mitigate electromagnetic fields (EMF) exposure for new utility transmission and substation projects. As a measure of low-cost mitigation the Commission continues to use the benchmark of 4% of transmission and substation project costs for EMF mitigation, and combine linked transmission and substation projects in the calculation of this 4% benchmark. In addition, this decision adopts rules and policies to improve utility design guidelines for reducing EMF, and provides for a utility workshop to implement these policies and standardize design guidelines. This proceeding is closed.

(Comr Peevey - ALJ DeBerry)

Pub. Util. Code § 311 – This item was mailed for Public Comment.

Pub. Util. Code §1701.1 -- This proceeding is categorized as Quasi-Legislative.

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=219307

35 **R01-10-024 - Order Instituting Rulemaking to establish policies and cost recovery**
[5222] **mechanisms for generation procurement and renewable resource development.**

This decision on rehearing grants the application of San Diego Gas & Electric Company for approval to enter into a ten-year power purchase agreement with Calpine Corporation for electric power from the Otay Mesa Energy Center. This proceeding is closed.

(Comr Peevey - ALJ Brown)

Pub. Util. Code § 311 – This item was mailed for Public Comment.

Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=217508

Regular Agenda - Energy Orders (continued)

36
[5241] **R04-04-003 - Order Instituting Rulemaking to promote policy and program coordination and integration in electric utility resource planning.**

This decision considers Pacific Gas and Electric Company's request to purchase and deliver gas, as needed for electric and gas system reliability purposes, to supply generating units under the California Independent System Operator reliability must run contracts with Calpine Company and its affiliates, and for authorization to recover from its ratepayers the costs associated with these activities.

(Comr Peevey - ALJ Brown)

Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.

Agenda 3165, Item 48 1/12/2006 (Staff)

37
[5263] **R_____ - Order Instituting Rulemaking to develop additional methods to implement the California Renewables Portfolio Standard program.**

In this proceeding, the Commission intends to address two principal aspects of implementing the Renewables Portfolio Standard (RPS) program. First, the Commission will add to the design for RPS implementation in areas where it is not yet complete. Second, the Commission will address the integration of new issues or programs into its implementation of the RPS program. The Commission intends to continue its oversight of the annual RPS procurement cycle, compliance, and other administrative issues in RPS implementation in Rulemaking 04-04-026 and any successors to it. This new rulemaking will consider at least four areas: 1) ESPs, CCAs, small and multijurisdictional utilities; 2) RECs; 3) CSI; 4) other new issues.

38
[5273] **R_____ - Order Instituting Rulemaking to review the 2006 long-term procurement plans of load serving entities in the interest of ensuring reliable and cost-effective electricity supply in California.**

The Commission opens this rulemaking to continue the ongoing efforts to ensure reliable and cost-effective electricity supply in California through the review of the next cycle of long-term procurement plans. This rulemaking is the successor to the long-term procurement planning portion of Rulemaking 04-04-003, and it will be the forum for consideration of future procurement policy and planning issues.

Regular Agenda - Telecommunication Orders**39**

[5130]

R93-04-003 - Rulemaking on the Commission's own motion to govern open access to bottleneck services and establish a framework for network architecture development of dominant carrier networks.

I93-04-002 - Related matters. This decision, in the "Verizon UNE phase" of OANAD, sets unbundled network element (UNE) rates for Verizon California and price floors for Category II services. Rates are set using the HM 5.3 model proposed by AT&T and MCI, and include a 9.89% cost of capital and an overhead markup of 8.93%. The average basic loop rate is \$14.07, a 24% increase from the \$11.36 interim loop rate set in D05-01-057. The new flat monthly port rate is \$3.12. The Verizon models are rejected as not forward-looking. Verizon must calculate billing adjustments of interim rates to the rates in this order, but payment of any billing adjustment is stayed pending further proceedings to determine payment options. With regard to price floors, the Commission agrees to modify D99-11-050 and remove unbundled switching from the price floor calculation. Verizon is directed to file a compliance filing updating its price floor calculations based on the methodology used in D03-03-033, updated to reflect the UNE prices in to-day's order.

(Comr Peevey - ALJ Duda)

Pub. Util. Code § 311 – This item was mailed for Public Comment.

Agenda 3165, Item 49 1/12/2006 (Staff)

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=219370

40

[5185]

R03-08-018 - Order Instituting Rulemaking to review policies concerning intrastate carrier access charges.

This decision modifies intrastate access charges and creates memorandum account. This proceeding is closed.

(Comr Peevey - ALJ Bushey)

Pub. Util. Code § 311 – This item was mailed for Public Comment.

Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=216670

41

[5210]

A05-07-024 - Pacific Bell Telephone Company, dba SBC California.

This decision adopts an amendment to the existing interconnection agreements that various competitive local exchange carriers have with SBC California. The amendment implements change-of-law provisions relating to changes in federal unbundling obligations of incumbent local exchange carriers.

(Comr Peevey - ALJ Jones)

Pub. Util. Code § 311 – This item was mailed for Public Comment.

Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=220142

Regular Agenda - Telecommunication Orders (continued)

42

[5211]

R00-02-004 - Order Instituting Rulemaking on the Commission's own motion to establish consumer rights and protection rules applicable to all telecommunications utilities.

This decision adopts Revised General Order No. 168, Market Rules to Empower Consumers and to Prevent Fraud. The General Order enumerates consumer rights and freedom of choice principles; extends to wireless carriers rules addressing (i) investigatory efforts of the Consumer Affairs Branch, (ii) employee identification and (iii) Emergency 911 access that currently apply only to holders of Commission-issued Certificates of Public Convenience and Necessity; and combines these rules with a set of anti-slamming rules. The decision repeals the Commission's interim rules governing placement of non-communications charges on telephone bills. This decision also initiates new education and enforcement efforts designed to empower consumers and root out fraud. It focuses Commission resources on creating a new Commission-led telecommunications consumer education program that will use multiple languages to reach out to California residents. This decision enhances the Commission's ability to enforce laws and regulations in a timely and effective manner through creating a special Telecommunications Consumer Fraud Unit; expanding its toll-free hotline to cover allegations of fraud; and increasing cooperation with other law enforcement agencies. In order to ensure that the needs of non-English speaking populations in particular are protected, the decision further directs Commission Staff to draft report on in-language practices and any special problems faced by consumers with limited English proficiency.

(Comr Peevey)

Pub. Util. Code § 311 – This item was mailed for Public Comment.

Pub. Util. Code §1701.1 -- This proceeding is categorized as Quasi-Legislative.

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=217312

Regular Agenda - Telecommunication Resolutions and Reports**43 (Rev.)****Res T-16968 - The Siskiyou Telephone Company.**

[5110]

This resolution authorizes California High Cost Fund - A support of \$4,712,364 for The Siskiyou Telephone Company for the year 2006. An intrastate total operating revenue of \$8,986,488 and a total intrastate rate base amount of \$18,868,263 with an authorized overall Rate of Return of 10.00% are adopted for the test year 2006. This resolution is in accordance with the provisions of General Order 96-A and Resolution ALJ-181. (Advice Letter 331, filed July 15, 2005)

Agenda 3164, Item 54 12/15/2005 (Brown);

Agenda 3165, Item 50 1/12/2006 (Staff)

01/24/2006 - This revision was not shown on the Agenda mailed to the public.

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=219901

Regular Agenda - Water/Sewer Orders**44**

[5220]

R04-09-002 - Order Instituting Rulemaking on the Commission's own motion to develop rules and procedures to preserve the public interest integrity of government financed funding, including loans and grants, to investor-owned water and sewer Utilities.

This decision adopts rules that shall govern the accounting and ratemaking treatment for grant funds received by all classes of regulated water utilities through the passage of Proposition 50 - The Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002. Receipt of these funds by Commission-regulated water utilities will allow the utilities and their customers to benefit by providing cost-free funds for needed investments in water supply, treatment, and security. This proceeding is closed.

(Comr Peevey - ALJ Walwyn)

Pub. Util. Code § 311 – This item was mailed for Public Comment.

Pub. Util. Code §1701.1 -- This proceeding is categorized as Quasi-Legislative.

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=217481

Regular Agenda - Transportation/Rail Safety Orders**45**

[5089]

A04-06-030 - City of Petaluma.

The City of Petaluma (Petaluma) is authorized to relocate an at-grade crossing of the railroad tracks of the Sonoma Marin Area Transit District (SMART) according to the design set out in the Supplement to Application and the conditions set forth in this decision. Petaluma's authorization continues as long as no passenger rail service operates along the SMART tracks. This authorization shall expire in the event that passenger rail service initiates along the SMART tracks because the institution of passenger rail service may affect the safety, and may require changes in the rail crossing. In the event passenger rail service commences along the SMART railroad tracks, Petaluma must apply to the Commission for continued authorization of this at-grade crossing. Additionally, if Petaluma extends Caulfield Lane past Hopper Street, Petaluma must make any changes to the design or signalization of the intersection of Hopper Street and Caulfield Lane and the railroad crossing required by the Commission's Consumer Protection and Safety Division's Rail Crossing Engineering Section prior to extending Caulfield Lane past Hopper Street. This proceeding is closed.

(Comr Grueneich - ALJ Econome)

Pub. Util. Code § 311 – This item was mailed for Public Comment.

Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.

Agenda 3164, Item 56 12/15/2005 (Staff);

Agenda 3165, Item 53 1/12/2006 (Peevey)

Regular Agenda - Other Utility Orders

46

[5106]

R04-09-003 - Order Instituting Rulemaking on the Commission's own motion for the purpose of considering policies and guidelines regarding the allocation of gains from sales of energy, telecommunications, and water utility assets.

This decision adopts gain on sale rules applicable to certain energy, telecommunications and water companies.

(Comr Brown - ALJ Thomas)

Pub. Util. Code § 311 – This item was mailed for Public Comment.

Pub. Util. Code §1701.1 -- This proceeding is categorized as Quasi-Legislative.

Agenda 3164, Item 57 12/15/2005 (Staff)

Regular Agenda - Legal Division Matters

- 47** **WC Docket No. 05-271**
[5088] Notice of Proposed Rulemaking on Consumer Protection re Broadband Services. Recommendation that the Commission participate in FCC proceeding that seeks comment on consumer protection measures for broadband Internet access services. These measures include customer privacy, slamming/cramming, truth-in-billing, network outage reporting, discontinuance of service, and statutory rate averaging requirements.
Agenda 3163, Item 33 12/1/2005 (Kennedy);
Agenda 3165, Item 55 1/12/2006 (Peevey)
- 48** **FCC Docket 96-45, WC Docket 05-337**
[5258] The FCC has issued a rulemaking asking for comment on issues raised by section 254(b) of the Communications Act of 1934 – In the Matter of Federal-State Joint Board on Universal Service – High Cost Universal Service Support- FCC-96-45.
- 49** **FERC Docket No. RM05-35, Standard of Review for Modifications of Jurisdictional**
[5268] **Agreements.**
Request for authority to file comments in opposition to proposed rules.
- 50** **FCC CC Docket 94-129**
[5277] The FCC has asked for comment on the Petition of certain Rural LECs (Local Exchange Carriers) for Review of FCC's June 9, 2005 Declaratory Ruling, denying the LECs' Petition with Respect to Obligation to Execute PIC Change Requests with Incorrect Subscriber Information. Legal Division and Telecommunications Division contemplates filing comments describing the Commission's experience in enforcement cases where non-subscribers have authorized changes to the subscriber's telephone service.
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=219468

Regular Agenda - Legislative Matters - Discussion

Regular Agenda - Commissioner's Reports

Regular Agenda - Management Reports and Resolutions

Closed Session

This notice is furnished under Government Code Sections 11125 and 11126.3. The Commission will meet in Closed Session following the Public Session of its regularly scheduled meeting. In the Closed Session, the Commission may consider personnel matters as provided under Government Code Section 11126(a), institution of proceedings or disciplinary actions against any person or entity under the jurisdiction of the Commission as provided under Government Code Sections 11126(d)(2) and 11126(e)(2)(C)(i), and pending litigation as provided under Government Code Section 11126(e). Additional items may be added to the closed session agenda pursuant to Gov. Code Section 11126.3(d). If in Closed Session the Commission votes to appoint, employ, or dismiss a public employee, the Commission will thereafter reconvene in Open Session to make the disclosures required by Government Code Sections 11125.2 and 11126.3(f).

Closed Session - Non-Federal

51 Conference with Legal Counsel - Applications for Rehearing

[5236]

Compilation of applications for rehearing recently filed with the Commission.
Gov. Code § 11126(e)(2)(B)(i), allows this item to be considered in Closed Session.

52 A04-05-017 - Conference with Legal Counsel - Application for Rehearing

[5122]

Disposition of application for rehearing of D05-07-042 filed by the California Attorney General (AG). D05-07-42 amends Wiltel Communications LLC's (Wiltel) Certificate of Public Convenience and Necessity (CPCN) to remove on an interim basis the requirement that Wiltel apply for a CPCN for certain smaller construction projects. The Decision concludes that because of the CPCN requirement, Wiltel had been subject to a stricter level of California Environmental Quality Act (CEQA) review than its competitors.

Gov. Code § 11126(e)(2)(B)(i), allows this item to be considered in Closed Session.

Agenda 3163, Item 39 12/1/2005 (Kennedy);

Agenda 3164, Item 64 12/15/2005 (Kennedy);

Agenda 3165, Item 62 1/12/2006 (Staff)

53 A05-05-010 - Conference with Legal Counsel - Application for Rehearing

[5216]

A05-05-013, A05-05-029 - Related matters. The disposition of the applications for rehearing of Resolution (Res.) E-3929, filed by City of Morrow Bay and the Coastal Alliance on Plant Expansion, and related petition for modification of the resolution, filed by Pacific Gas and Electric Company. Res. E-3929 involves the Commission's approval of PG&E's request of a three-year tolling agreement with Duke's Morro Bay Units 3 and 4.

Gov. Code § 11126(e)(2)(B)(i), allows this item to be considered in Closed Session.

Agenda 3165, Item 64 1/12/2006 (Staff)

Closed Session - Non-Federal (continued)

- 54** **A05-03-016 - Conference with Legal Counsel - Application for Rehearing**
[5231] Disposition of Application for Rehearing of D05-09-044 filed by The Utility Reform Network. Decision 05-09-044 approves pre-deployment funding for Pacific Gas and Electric Company's proposed Advanced Metering Infrastructure Project in the amount of \$49 million. The Decision also adopts specific ratemaking and cost recovery treatment for the authorized funds.
Gov. Code § 11126(e)(2)(B)(i), allows this item to be considered in Closed Session.
- 55** **San Diego Superior Court No. GIC 857224 - Conference with Legal Counsel - Existing**
[5239] **Litigation**
People of the State of California, et al. v. Sempra Energy, et al., San Diego Superior Court No. GIC 857224.
Gov. Code § 11126(e)(2)(A), allows this item to be considered in Closed Session.
- 56** **R04-04-026 - Conference with Legal Counsel - Application for Rehearing**
[5245] Disposition of Applications for Rehearing of Decision 05-07-039 filed by the Center for Energy Efficiency and Renewable Technologies and Southern California Edison Company (SCE). In D05-07-039 (Decision) the Commission approved, with additions, the procurement plans and draft requests for offers for the 2005 solicitation for the Renewables Portfolio Standard (RPS) program submitted by Pacific Gas and Electric Company, SCE, and San Diego Gas & Electric Company. The Decision also clarified the requirement for reporting on RPS compliance.
Gov. Code § 11126(e)(2)(B)(i), allows this item to be considered in Closed Session.
- 57** **R02-11-039 - Conference with Legal Counsel - Application for Rehearing**
[5261] Disposition of applications for rehearing of D04-05-017 and D04-05-018 filed by Mirant Delta, LLC and Mirant Potrero, LLC; Western Power Trading Forum et al.; and Elk Hills Power, LLC. D04-05-017 and D04-05-018 adopted requirements for the operation and maintenance of electric generating facilities pursuant to Public Utilities Code section 761.3. D04-05-017 adopted Logbook Standards for thermal powerplants; D04-05-018 adopted General Order 167 implementing General Duty Standards and Maintenance Standards for electric generating facilities.
Gov. Code § 11126(e)(2)(B)(i), allows this item to be considered in Closed Session.

Closed Session - Initiation of Litigation - Non-Federal

Consideration of possible Commission initiation of, or intervention in, litigation.

Gov. Code § 11126(e)(2)(C)(i), allows this item to be considered in Closed Session.

Closed Session - Threatened Litigation - Non-Federal

Significant exposure to litigation

Gov. Code § 11126(e)(2)(B), allows this item to be considered in Closed Session

Closed Session - Personnel Matters

Consideration of appointment, employment, evaluation of performance, or dismissal of a public employee or to hear complaints or charges brought against that employee by another person or employee.

Gov. Code § 11126(a), allows this item to be considered in Closed Session

Closed Session - Threatened Litigation - Federal

Significant exposure to litigation in federal agency or court proceedings.

Gov. Code § 11126(e)(2)(B), allows this item to be considered in Closed Session

Closed Session - Initiation of Litigation - Federal

Consideration of possible Commission initiation of, or intervention in, federal agency or court proceedings.

Gov. Code § 11126(e)(2)(C)(i), allows this item to be considered in Closed Session.

Closed Session - Federal

58

[5275]

FERC Docket No. EL06-30-000 - Conference with Legal Counsel - Initiation of Litigation

California Electricity Oversight Board, William Lockyer, Attorney General for the State of California and California Department of Water Resources v. Calpine Energy Services, L.P., and Calpine Corporation.

Gov. Code § 11126(e)(2)(C)(i), allows this item to be considered in Closed Session.

Closed Session - FERC Docket No. EL00-95-000

Conference with Legal Counsel - Existing Litigation; San Diego Gas & Electric Co., EL00-95-000

Gov. Code § 11126(e)(2)(A), allows this item to be considered in Closed Session.